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THE

# INTERIM

A REPORT OF INTERIM ACTIVITY . . . MONTANA LEGISLATIVE COUNCIL . . . HELENA

September 1987

STATE DOCUMENTS COLLECTION

Vol. VI No. 4

## Legislative Audit Committee

SEP 2 1987

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### *Worker's Compensation Heads Sept. 18 Agenda*

The Legislative Audit Committee will meet in Room 104 of the Capitol on Friday, Sept. 18.

Subjects on the agenda include.

- Worker's Compensation Limited Scope Performance Audit
- Worker's Compensation Unfunded Liability Projection (Revised to include 1987 Legislation)
- Department of Commerce, Transportation Division (Performance Audit Survey)
- Guaranteed Student Loan (Financial Audit Opinion)
- State Agency Use of Contracted Services (Performance Audit)
- Lottery Audits Status Report, Financial Audit (FY 1986-87), Security Audit, Observations, and Lottery Contract Audits
- Audit Follow Up: Miles Community College, Flathead Valley Community College, Public Service Commission Staff Training, Department of Administration Telephone Rules, and Medicaid Performance Audits.

## Administrative Code Committee

### *Next Meeting Oct. 2*

Chairman Sen. H. W. (Swede) Hammond has scheduled a meeting of the Administrative Code Committee for Friday, Oct. 2, at 10 a.m. in Room 104 of the Capitol.

The tentative agenda includes.

- a Department of Labor and Industry rule providing that a party must have the consent of the mediator to bring witnesses to a worker's compensation dispute mediation conference.

- a DNRC water reservation rule stating that water-use efficiencies associated with diversionary uses must be reasonable and that there must be no other reasonable cost-effective measures that could be taken within the reservation term to increase the use efficiency and lessen the amount of water required for the purpose of the reservation. The Committee feels that the philosophy behind the rule appears to be that the West, including Montana, must begin moving toward a policy that all the various water uses relating to various water rights and reservations must become more efficient and less wasteful and must strive for increased conservation. The Committee has not yet taken a stand on this philosophy, but encourages interested persons to attend the meeting and air their views;

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- the process and procedures used by the Board of Cosmetologists to formulate rules, including hearings and notice of hearings;
- the Board of Optometrists' interpretation of a rule to bar an optometrist from renting a separate and self-contained office unit in a shopping mall. The Committee has voted that this interpretation is invalid or probably invalid; and
- issues 9 through 17 of the 1987 Montana Administrative Register.

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## Coal Tax Oversight Subcommittee

### *Highways, Parks to Make Reports*

The meeting of the Coal Tax Oversight Subcommittee in Room 108 of the Capitol on Friday, Sept. 11, will feature reports from two state departments on past use of coal severance tax funds and prospects for future utilization.

The Department of Highways and the Department of Fish, Wildlife, and Parks will be the first two recipients of severance tax shares to report this interim. Reports from other agencies will be scheduled at subsequent meetings of the Subcommittee.

### *Federal Royalty Rules Changes*

The Subcommittee will also receive a report on the proposed changes in rules regarding federal mineral royalties and the impact of the changes on state revenues.

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## Revenue Oversight Committee

The Revenue Oversight Committee will hold its third meeting of the 1987-88 interim on Friday, Sept. 11. The meeting is scheduled to begin at 9 a.m. in Room 104 of the Capitol.

### *Topics for Consideration*

Tentative agenda items include:

- a presentation by staff of the Office of the Legislative Auditor on a 1986 performance audit of the Department of Revenue's Property Assessment Division;
- discussion and finalization of a study plan for HJR 48, the property reappraisal study;

- a briefing by the Department on the implementation of SB 200, ad valorem taxation of vehicles;
- a request by Rep. Dorothy Bradley and Rep. Gene Donaldson for a Committee study of specific tax reforms;
- a staff report on the recent issue of the Department's audit program of oil and natural gas net proceeds; and
- the usual panoply of reports from Department of Revenue staff

The study required by HJR 56, on taxation of exported gasoline, is well under way. A report will be ready for presentation at the November ROC meeting.

### *Final Reports Available*

Hot off the presses are two 1985-86 final reports of the Revenue Oversight Committee, *From Liquor Stores to Burlington Northern Railroad: Issues Before the Revenue Oversight Committee and Property Tax Delinquencies, Tax Sales, and Tax Deeds*. If you are interested in either report, please notify us here at the Council.

This issue of *The Interim* will be published shortly before the September Revenue Oversight Committee meeting. Consequently, if you have other items to bring to the Committee's attention please contact Dave Bohyer at the Council (444-3064) or ROC Chairman, Sen. Bob Brown.

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## Western States Legislative Forestry Task Force

The Alberta Ministry of Forestry, Lands, and Wildlife, the Honorable Don Sparrow, Minister, will host the meeting of the Western States Legislative Forestry Task Force Friday through Sunday, Sept. 18-20. The meeting will be held at the Edmonton Inn in Edmonton, Alta.

### *Alberta to Become Associate Member*

The meeting will mark the affiliation of the Province of Alberta as a dues-paying, nonvoting associate member of the Task Force, an association already enjoyed by the Province of British Columbia.

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## Montana-Western Canadian Provinces Boundary Advisory Committee

### *Meeting with Albertans Planned in October*

Tentative plans are being formulated for a meeting with a delegation from the Province of Alberta to be held in Helena during the week of Oct. 16.

Lt. Gov. George Turman, Chairman of the Committee, and his staff are completing the arrangements.

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## Five-State Conference

### *Biennial Meeting in Bismarck*

The Five-State Conference is set for Sept. 9-11 in Bismarck, N.D.

Montana delegates and their colleagues from Old West states will discuss telephone deregulation, prison population problems, economic development, state control of National Guard training, and the use of communication technology in education. It will be Montana's turn to host the biennial conference in 1989.

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## House Rules Committee

The House Rules Committee will meet in Room 108 of the Capitol at 9 a.m. on Friday, September 4. The meeting is expected to last all day. Purpose of the meeting is to continue the review and revision of House Rules.

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## Joint Interim Subcommittee on Basic Education

### *First Meeting Set Sept. 17*

The Joint Interim Subcommittee on Basic Education will hold its first meeting Thursday, Sept. 17, at 1 p.m. in Room 104 of the Capitol.

Sen. George McCallum will preside as acting chairman. In addition to selecting a chairman and vice chairman, the Subcommittee will review a proposed study plan and work schedule. Subcom-

mittee staff will summarize a number of reports on basic education and the Board of Public Education's accreditation standards as background for exploring the issues in HJR 16.

### *Objects of Study*

The enabling resolution requests that the Board of Public Education, the Legislative Finance Committee, and a legislative interim committee work together to:

- establish a definition of basic education for Montana public schools
- determine the cost of providing a basic education and how to equitably fund a basic education; and
- develop a fiscal note procedure that links education policies to the state budget process.

### *Project Excellence Kickoff Sept. 18*

The Board of Public Education has invited legislators and all other Montanans to attend the organizational meeting on Friday, Sept. 18, which will launch *Project Excellence: Designing Education for the Next Century*, the Board's response to the mandate in HJR 16 to review the accreditation standards. This meeting will be held in the Helena Civic Center and a \$5 fee will be charged to cover lunch. Reservations should be returned before Sept. 3 to the Board of Public Education.

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## Joint Interim Subcommittee on Welfare

### *Comments Asked on Study Topics*

The Joint Interim Subcommittee on Welfare currently is seeking comments from interested persons regarding issues that should be addressed as part of the interim study of the Montana welfare system, which was requested by HJR 53 of the 1987 Legislature. HJR 53 directs the Subcommittee to analyze existing eligibility and benefit criteria for public assistance programs, study alternative approaches used in other states to provide cost-effective welfare, Medicaid, and general assistance services, and evaluate the experience with work programs in Montana and other states.

### *Questions on Welfare Issues*

To ensure that its study properly addresses issues of public concern, the Subcommittee is requesting comments from interested persons on issues they believe should be examined in studying Montana's welfare system. Interested persons are asked to respond to the following questions:

- What issues should be addressed as the main focus of the study?

- What alternatives should be explored in addressing these issues?
- What objectives should guide the Subcommittee in studying alternatives to address these issues?
- What issues/alternatives/objectives should not be included in the study?

*Deadline Is Sept. 9*

Comments should be submitted in writing by Sept. 9 to Tom Gomez, Staff Researcher, Montana Legislative Council, State Capitol, Helena, Montana 59620. By Sept. 23, staff will complete a summary of all comments received. This summary will be provided to the Subcommittee for its use in defining welfare study issues. Once these issues have been defined, the Subcommittee will schedule its first meeting, probably in late October or early November.

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## Legislative Council

### *Sept. 12 Meeting Set*

The Legislative Council plans to meet Saturday, Sept. 12. The principal business scheduled is selection of a research director. Other routine Council business will also be conducted.

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## Initiative Review Procedure and Information

Several initiatives have been received by the Legislative Council staff for review as has been noted in previous issues of *The Interim*. Pursuant to 13-27-202, MCA, the Legislative Council furnishes a copy of all correspondence concerning its role in reviewing a proposal to the Secretary of State. The Secretary of State then makes the correspondence available to any person upon request.

The rationale behind requiring that Legislative Council correspondence be obtained through the Secretary of State's office is that the Council is one of three agencies involved in initiative review.

The Legislative Council staff reviews the text of the petition for matters it considers in drafting legislation.

The Secretary of State then reviews a sample petition and forwards a copy to the attorney general.

The attorney general may order a fiscal note and prepares a statement of purpose and the statement of implications of the measure. Upon completion of these steps, the petition may be circulated for signatures.

Contacting the Secretary of State's office for material relating to initiative measures ensures that

an individual receives the most current and complete status of a proposed initiative. It also complies with the law providing for dissemination of information concerning initiatives.

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## Legislative Council Library

### *Tax Reporters for Six States Added*

The Legislative Council Library has recently purchased the *State Tax Reporters* for Montana, Wyoming, North Dakota, Idaho, South Dakota and Oregon. These reporters contain detailed information on each tax levied in the six states. Also included are the text of the statutes and constitution pertaining to tax matters.

These new reporters will be very helpful in answering tax questions like, "How are capital gains taxed in Oregon?" and supplement the *State Tax Guide*, which gives an overview of how each of the 50 states administers its system of taxation.

If you have questions on tax administration in other states, call the Library at 444-3064.

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## Codes to be Shipped Aug. 31

The 1987 Montana Code Annotated text is scheduled to be shipped from the printer, Arcata Graphics of Kingsport, TN, on Aug. 31. The Codes will be shipped via U.P.S. and should be in the hands of Montana subscribers within five days after shipment.

### *Continue to Use 1985 Index Temporarily*

It is important to remember to save your indexes from the 1985 MCA until new indexes are shipped in late 1987. New and changed provisions in the 1987 MCA may be found by using the Legislative Review which has an index and a code sections affected list.

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## Session Laws Delivered in Mid-August

The two volumes of the 1987 Session Laws were shipped to subscribers on Aug. 18, and all should have received their copies by now.

### *Statute Texts and Other Useful Material*

In addition to all acts, appropriations, and resolutions enacted in 1987, and ballot issues approved by the voters in 1986, the Appendices to the Laws



of 1987 contain the acts, appropriations, and resolutions enacted during the Special Sessions of March 1986 and June 1986.

Other material in the Appendices includes tables of Code Sections Affected, Session Laws Affected, bill to chapter numbers, effective dates by chapter numbers and dates, and session law chapters to Montana Code Annotated sections. All this material is in addition to the general index of chapters by subjects.

### *Helpful Until MCA Index Volumes Arrive*

The subject index and tables of Code Sections Affected will provide ready reference to new, amended, or repealed statutes until the three-volume index to the 1987 edition of the Montana Code Annotated is published late this year.

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## **Interim Directory Now Available**

A complete listing of the membership of 20 legislative committees is provided in the *Interim Directory of Legislative Committees*, published by the Legislative Council.

The *Interim Directory* was delivered to legislators, state agencies, and interested persons during August. Other persons may obtain copies from the Legislative Council, Room 138, State Capitol, Helena, MT 59620, phone (406) 444-3064.

### *Committee References Included*

The directory includes, in addition to membership, the statutory authorization for each committee and explanation of duties and staffing assignments. The committees listed are:

#### *Interim Study Subcommittees*

- Joint Interim Subcommittee on Welfare Reform
- Coordinated Study on Basic Education and Its Costs

#### *Permanent Legislative Committees*

- Environmental Quality Council
- Legislative Audit Committee
- Legislative Consumer Committee
- Legislative Council
- Legislative Finance Committee

#### *Statutory Committees Receiving Legislative Council Staff Assistance*

- Administrative Code Committee
- Coal Tax Oversight Subcommittee
- Revenue Oversight Subcommittee
- Committee on Indian Affairs

- Montana-Western Canadian Provinces Boundary Advisory Committee

### *Other Interim Committees*

- Legislative Energy Policy Committee
- Water Policy Committee
- Legislative Committee on University Funding
- Legislative Liaison Committee for the Montana Lottery

### *Interstate Cooperation Organizations*

- The Council of State Governments (CSG)
- National Conference of State Legislatures (NCSL)
- Western States Legislative Forestry Task Force
- Five-State Legislative Conference

### *Committee Members Not Appointed*

The members of two interim committees have not been appointed yet:

- Legislative Reorganization and Improvement Commission
- Task Force on Telecommunications Technologies for Montana

The *Interim Directory* includes the details of each of these committee's responsibilities and the criteria for membership. The appointments of members will be reported in *The Interim*.

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## **Journals Will Complete Legislative Publications**

The *Senate Journal* and *House Journal* of the 1987 Legislature will be delivered during the last week in September.

These deliveries will complete the distribution of all printed matter emanating from the 1987 Legislature, except annotation updates for the Montana Code.

### *Publications Available from Legislative Council*

Legislators and persons who are subscribers to the legislative publications will receive their copies of the *Journals* just as they have received the earlier volumes. Other persons may order publications from the Montana Legislative Council, Room 138, Capitol Station, Helena, MT 59620, phone (406) 444-3064.

#### *Prices of the publications*

- 1987 Montana Code, 13 volumes including index, \$210 private, \$185 state and local government
- Annotations, 6 binders, tabs, updated, Titles 1-90 (latest revisions 1986-1987) \$300 private, \$285 state and local government.

- Annotations updates 1986-1987, Titles 1-90 (pamphlets only) \$150.
- 1987 Laws of Montana, session laws, \$60.
- 1987 Statute Text, microfiche, \$15.
- 1987 House and Senate Journal, \$95.
- 1987 History and Final Status, \$15.
- 1987 Legislative Review, \$6

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## Environmental Quality Council

### *Subdivision and Pesticide Topics*

The Environmental Quality Council has set Oct. 22 and 23 for a meeting in Bozeman to focus on subdivision and pesticide issues.

### *Forest Management/Watershed Study*

On Sept. 14-15 the EQC will begin detailed consideration of the issues raised by HJR 49, which calls for an interim study of forest management/watershed relationships in Montana.

The Sept. 14 session will begin at 9:30 a.m. at the headquarters of the University of Montana's Lubrecht Experimental Forest, about 40 miles east of Missoula on Highway 200, and will consist of presentations and panel discussions on timber harvest practices, watershed effects, the legal and administrative structure governing forest management activities in Montana, efforts of neighboring states to address forest watershed issues, and perspectives of various Montana participants in the issue.

The EQC will tour several completed logging operations in the Missoula area on Sept. 15.

Legislators or interested persons should contact EQC for more detailed information on meeting and tour arrangements.

Legislators or interested persons who have not received mailings from EQC on HJR 49 and wish to be placed on the HJR 49 mailing list should write to EQC or phone 444-3742.

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## Water Policy Committee

### *Consultant Selection Due Sept. 10*

Sept. 1 is the deadline set by the Water Policy Committee for proposals for a study of the water

rights adjudication process. A task force will evaluate the applications on Sept. 4 and recommend no more than five consultants for consideration by the Water Policy Committee. The Committee will interview applicants on Sept. 10 and will select a consultant on Sept. 11.

Also on the agenda for the Sept. 10-11 meeting are discussions of water development and HJR 59, which encourages further study of reservoir sites near Billings for recreation benefits.

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## Recent Agency Publications

### *Legislative Council*

#### Legal Memoranda

- Legislative Implementation of Revision of Montana Constitution
- Public Trust Doctrine: Summary of Recent Court Cases

#### Research Memorandum

- Legislative History of Application of Provisions for Nonliability for Peer Review to Any Member, Agent, or Employee of a Nonprofit Corporation

### *Revenue Oversight Committee, 1985-86 Final Reports*

- From Liquor Stores to Burlington Northern Railroad: Issues Before the Revenue Oversight Committee
- Property Tax Delinquencies, Tax Sales, and Tax Deeds

### *Copies of Publications Available*


Copies of recent Legislative Council publications are available without charge to legislators

Other persons may obtain copies from the Legislative Council office at a charge of 15 cents a page.



# LEGISLATIVE INTERIM CALENDAR

SEPTEMBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3 CON. COUNSEL Rm. 104-1:30	4 HOUSE RULES COMM.-Rm. 108 9am	5
6	7 LABOR DAY <b>DAY OFF!</b>	8	9	10 ---- EOC - Water ROC-Rm. 104 - 9am CTO-Rm. 108	11 Policy--- ROC-Rm. 104 - 9am CTO-Rm. 108	12 LEGISLATIVE COUNCIL
13	14 ---- EOC on HJR 49----	15	16	17 INT. COMM ON BASIC EDUCA- TION-Rm. 104	18 LEG. AUDIT - Rm. 104 LFA - Rm. 108	19 LFA-Rm. 104
20	21 FORESTRY TASK FORCE-- ----WESTERN LEGISLATIVE CONFERENCE Honolulu	22	23	24	25 --WESTERN STATES Edmonton, Alta.	26
27	28	29	30			

\*ALL MEETINGS ARE SUBJECT TO CHANGE

# LEGISLATIVE INTERIM CALENDAR

OCTOBER

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
				1	2 ACC-Rm. 104 10am	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22 -----EQC - Bozeman -----	23	24
25	26	27	28	29	30	31 HALLOWEEN



\*ALL MEETINGS ARE SUBJECT TO CHANGE



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